

ACCOUNTANCY EXAMINING BOARD[193A]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 542.4, the Accountancy Examining Board hereby gives Notice of Intended Action to amend Chapter 1, “Definitions,” Chapter 3, “Certification of CPAs,” Chapter 5, “Licensure Status and Renewal of Certificates and Licenses,” and Chapter 7, “Certified Public Accounting Firms,” Iowa Administrative Code.

The proposed amendment to Chapter 1 adds new definitions for “IFRS” (International Financial Reporting Standards) since the U.S. Securities and Exchange Commission is continuing its movement toward replacing GAAP (Generally Accepted Accounting Principles) with IFRS; “IASB” (International Accounting Standards Board), which is the board charged with writing and implementing IFRS; and “ALD” (Accountancy Licensing Database), which is a resource provided by the National Association of State Boards of Accountancy (NASBA) for accounting licensee searches.

The proposed amendments to Chapter 3 rescind subrules 3.6(1) and 3.6(3) as these subrules are no longer necessary because of the computerized CPA examination; add the phrase “or on the board’s Web site” to subrule 3.14(1) to be consistent with other subrules and to direct users to where forms and resources may be found; update the cross reference in subrule 3.14(2) to correspond to the correct rule in rewritten Chapter 10, which became effective January 1, 2011; and update the cross reference in subrule 3.15(2) to correspond to the correct subrule in rewritten Chapter 13, which became effective January 1, 2011.

The proposed amendments to Chapter 5 add a reference to NASBA’s ALD in subrule 5.1(6), which currently states that there is not a national licensee database; rescind rule 193A—5.2(542) because the license renewal period for June 30, 2010, has passed; and update the cross reference in paragraph 5.6(3)“c” to correspond to the correct subrule in rewritten Chapter 10.

The proposed amendment to Chapter 7 adds the phrase “including a list of Iowa clients and the services performed” to subrule 7.6(3) to be consistent with the reinstatement application.

These amendments are subject to waiver or variance pursuant to 193—Chapter 5.

Consideration will be given to all written suggestions or comments on the proposed amendments received on or before March 15, 2011. Comments should be addressed to Jodi Adams, Accountancy Examining Board, 1920 S.E. Hulsizer Road, Ankeny, Iowa 50021, or faxed to (515)281-7411. E-mail may be sent to jodi.adams@iowa.gov.

These amendments are intended to implement Iowa Code chapters 17A, 272C, 542, and 546.

The following amendments are proposed.

ITEM 1. Adopt the following **new** definitions of “ALD,” “IASB” and “IFRS” in rule **193A—1.1(542)**:

“*ALD*” means Accountancy Licensing Database.

“*IASB*” means International Accounting Standards Board.

“*IFRS*” means International Financial Reporting Standards.

ITEM 2. Rescind subrule **3.6(1)**.

ITEM 3. Renumber subrule **3.6(2)** as **3.6(1)**.

ITEM 4. Rescind subrule **3.6(3)**.

ITEM 5. Renumber subrule **3.6(4)** as **3.6(2)**.

ITEM 6. Amend subrule 3.14(1) as follows:

3.14(1) A candidate who successfully passes the examination, completes the ethics course and examination and meets all of the requirements outlined in rule 193A—3.1(542) shall make application for the certificate on a form which may be obtained from the board office or on the board's Web site. An applicant for a certificate may be denied the certificate for reasons outlined in subrule 3.4(3), 3.4(4), or 3.4(5) regardless of when the incident occurred.

ITEM 7. Amend subrule 3.14(2) as follows:

3.14(2) A candidate who meets the requirements for a certificate outlined in rule 193A—3.1(542) shall file an application for a certificate within three years of the date of passing the examination. If the candidate does not file an application for a certificate within the required time frame, the candidate must comply with the basic continuing education requirements outlined in ~~193A—10.3(542)~~ rule 193A—10.5(542) prior to filing an application. The required continuing education hours shall include a minimum of ~~seven~~ eight hours of continuing education every three years devoted to financial statement presentation, such as courses covering the statements on standards for accounting and review services (SSARS) and accounting and auditing updates.

ITEM 8. Amend subrule 3.15(2) as follows:

3.15(2) Rules regarding the use of the title “CPA” in a firm name are found at 193A—subrule ~~13.6(5)~~ 13.4(14).

ITEM 9. Amend subrule 5.1(6) as follows:

5.1(6) Exercising a practice privilege in Iowa or for a client with a home office in Iowa while holding an inactive or lapsed Iowa CPA certificate places a special burden on the individual to ensure that the public is informed about the individual's licensure status in Iowa and in the jurisdiction of active licensure, as provided in 193A—paragraphs 20.8(2) “b.” and 20.8(3) “b.” As a practical matter, an individual's failure to clarify licensure status in Iowa and in the jurisdiction of the individual's principal place of business may confuse the public. ~~There is no~~ However, the public may consult ALD, a comprehensive national data bank, that the public may consult to verify an individual's licensure in another jurisdiction, and a. ALD may be accessed at www.NASBA.org. A client contacting the board or consulting the board's Web site will be informed that the individual is not actively licensed in Iowa of the individual's licensure status in Iowa and in the individual's jurisdiction of active licensure. The board will have no record of an individual's exercise or purported exercise of a practice privilege.

ITEM 10. Rescind and reserve rule **193A—5.2(542)**.

ITEM 11. Amend paragraph **5.6(3)“c”** as follows:

c. Providing evidence of completed continuing education outlined in rule ~~193A—10.3(542)~~ 193A—10.5(542), if the licensee wishes to reinstate to active status; and

ITEM 12. Amend subrule 7.6(3) as follows:

7.6(3) The board may reinstate the permit upon payment of the proper renewal fee and a penalty as provided in rule 193A—12.1(542). The board shall also require a written statement outlining the firm's professional activities during the period of lapsed licensure, including a list of Iowa clients and the services performed.